

RESIDENTIAL REPAIR PROGRAM (RRP)

APPLICATION PACKET

List of attachments:

Fact Sheet

Frequently Asked Questions

Preferred Terms

Income Guidelines

Application Instructions

Loan Application

Authorization for the Release of Information

Certification of Non-Filing of Federal Income Tax Return

Certification of Non-Filing of State Income Tax Return

Verification of Mortgage or Deed of Trust

Notification-Watch Out For Lead-Based Paint Poisoning

County of Hawai'i

Office of Housing and Community Development

1990 Kino'ole Street, Suite 102

Hilo, Hawai'i 96720

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RESIDENTIAL REPAIR PROGRAM (RRP) FACT SHEET

PURPOSE:

To provide low cost loans to benefit low-and moderate-income homeowners in the County of Hawai'i to repair the dwelling unit that they occupy as their primary residence.

PROGRAM FUNDING:

U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Program.

APPLICANT QUALIFICATION:

1. **Total adjusted gross income of all persons living in the household** may not exceed the attached household income limit schedule. (See attached schedule)
2. Applicant must be **owner/occupant** for at least one year prior to filing a loan application for proposed repairs to the dwelling. A rental unit or a portion of a owner/occupied unit that is used for rental purposes is **not** eligible for rehabilitation assistance.

DWELLING QUALIFICATIONS:

1. Single family dwelling owned in fee simple.
2. The dwelling must be a completed residence prior to the owner applying.
3. The residence must meet equity underwriting requirements.
4. After repairs, the dwelling must be safe, sanitary and decent.
5. Dwelling may not be located in the Flood Hazard Area unless all flood hazards are Mitigated under Executive Order 11988, Flood Plan Management.
6. Dwelling must be insured (homeowners insurance).

The applicant and dwelling must meet all program underwriting requirements as documented in the RRP Administrative Rules. A copy of the Rules is available at www.hawaiicounty.gov/office-of-housing or by contacting the Office of Housing and Community Development.

LOAN PROGRAM:

Loan Amount:	Minimum \$2,500	15 year term
	Maximum \$25,000	15 year term
Interest Rates:	3% Simple Interest	

***Term and Principal amount of loan will be due and payable upon transfer of ownership of the property, for any reason, such as sale, inheritance, condemnation or foreclosure. ***

EXAMPLES OF ELIGIBLE REPAIRS:

- Roof repairs
- Termite Treatment
- Connecting to Sewer System
- Updating faulty electrical wiring and or plumbing
- Solar water heating

EXAMPLES OF INELIGIBLE REPAIRS:

- Construction of a New Structure
- Completion of an incomplete structure or unfinished improvements
- Construction on an unpermitted structure

FREQUENTLY ASKED QUESTIONS

1. Q. **WHAT IS THE RESIDENTIAL REPAIR PROGRAM?**

A. The Residential Repair Program (RRP) was established by the County of Hawai'i to make low-interest loans available to eligible property owners who are interested in repairing and improving their primary residence.

2. Q. **WHAT KINDS OF REPAIRS OR IMPROVEMENTS CAN BE MADE WITH THE LOAN?**

A. The LOAN can be used to repair and correct deteriorated and hazardous conditions on the property such as damage caused by termites or wood rot, leaky roof and drain pipes, abatement of lead based paint, faulty electrical wiring and plumbing, hook up to County sewer lines, termite treatment and installation of a solar water heating system. The LOAN can also be used to accommodate the special needs of disabled household members.

3. Q. **IS THERE A FEE TO APPLY?**

A. Yes, there is a \$50.00 processing fee. A personal check, cashier's check or money order must be submitted with the completed application. Pursuant to Section 2-134, as amended, of the Hawai'i County Code, there shall be a fee charged for a returned check due to insufficient funds. If you do not qualify you will be refunded your \$50.00 processing fee.

4. Q. **WHO IS ELIGIBLE TO APPLY FOR A LOAN?**

A. Owner-occupants whose **total adjusted gross income of all persons living in the household** is within the income schedule listed below are eligible. The current maximum income limits for owner-occupants, by number of persons in household, are as follows:

INCOME LIMITS*							
(Effective April 01, 2021)							
1	2	3	4	5	6	7	8
\$47,950	\$54,800	\$61,650	\$68,500	\$74,000	\$79,500	\$84,950	\$90,450

*Income limits are adjusted annually

5. Q. **ARE OWNERS OF PROPERTIES WITH RENTAL UNITS ELIGIBLE FOR A LOAN?**

A. No. Only owner-occupants whose household income is within the income schedule are eligible.

6. Q. **ARE SINGLE FAMILY DWELLINGS ON LEASE LAND ELIGIBLE FOR A LOAN?**

A. No. Only fee simple, owner-occupant dwellings are eligible.

7. Q. **ARE SINGLE FAMILY DWELLING ON DEPARTMENT OF HAWAIIAN HOME LANDS ELIGIBLE FOR A LOAN?**
- A. No. Single family dwellings on Department of Hawai'i Home Lands (DHHL) are not eligible.
8. Q. **WHAT MUST A HOMEOWNER REPAIR AND CORRECT UNDER THE LOAN PROGRAM?**
- A. To insure that the property is safe and sanitary, all deficiencies cited by the County's RRP inspector must be repaired and corrected.
9. Q. **HOW MUCH MONEY CAN A HOMEOWNER BORROW?**
- A. The minimum LOAN is \$2,500 the maximum LOAN is \$25,000 for each dwelling unit for owner occupied properties.
10. Q. **CAN I APPLY FOR MORE THAN ONE LOAN?**
- A. No. Only one LOAN per household.
11. Q. **WHAT KIND OF INTEREST RATE WILL BE BORROWER BE PAYING?**
- A. The interest rate is set at 3%. The LOAN is deferred for 15 years or until first transfer of title. If the homeowner applies for a mortgage loan or a home equity loan, the LOAN amount must be repaid in full.
12. Q. **WHAT ARE SOME OF THE SERVICES AVAILABLE TO HOMEOWNERS?**
- A. The County's RRP inspector will inspect your property. The County will prepare a Priority List of Repairs which will outline the deficiencies cited that must be corrected.
13. Q. **HOW IS THE LOAN SECURED?**
- A. LOANS will be secured with a Mortgage and Note on the property.
14. Q. **WHERE CAN A HOMEOWNER OBTAIN MORE INFORMATION?**
- A. Phone: (808) 961-8379 / Email: ohcdloans@hawaiiicounty.gov

**** The term of the LOAN may be extended at the end of 15 years if the borrower remains qualified for such a LOAN.**

****LOANS are subject to availability of funds.**

RESIDENTIAL REPAIR PROGRAM PREFERRED TERMS

The preferred terms shall be as follows:

Preferred Terms: THIRTY PERCENT (30%) of the principal balance of the Loan, may be forgiven as a grant to an Applicant if he/she or any member of the household is a member of any one of the following groups:

1. Elderly person 62 years of age or older.
2. Disabled person as defined by 24 CFR 5.403 when the condition is verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehabilitation specialist, or licensed social worker, using the HUD language as the verification format.

All legal owners shall be required to sign a Mortgage and Note and a Grant Agreement that spells out the terms and conditions of the Loan and Grant.

2021 MEDIAN FAMILY INCOME: \$78,800

EFFECTIVE: April 01, 2021

INCOME GUIDELINES

HOUSEHOLD SIZE	LOW-INCOME LIMITS
1	47,950
2	54,800
3	61,650
4	68,500
5	74,000
6	79,500
7	84,950
8	90,450

FAMILY SIZE ADJUSTMENT:

For each person in excess of eight, 8 percent of the four person base should be added to the eight-person limit. (For example, the nine-person limit equals 140 percent $[132 + 8]$ of the relevant four-person income limit.) All income limits are rounded to the nearest \$50 to reduce administrative burden.

The following documentation is needed to complete the eligibility process.

Documentation is needed from all adult members:

- ___ Copy of Picture ID's (for Head and Co Head)
- ___ Completed Application
- ___ Signed Authorization forms
- ___ Verification of ALL income sources
 - Copy of last two most recent employment pay stubs
 - Copy of most recent documentation of any other income (such as social Security, Disability, Pension, Financial Public Assistance, Life Insurance Payments, Living Allowances, etc.)
- ___ Verification of ALL assets/bank accounts
 - Copy of current statements for checking accounts and savings accounts and any other assets (such as IRA, Mutual Funds, Annuities, Stocks, Bonds, etc.)
- ___ Verification of Mortgage and Deed
 - Copy of most recent Mortgage Statement
 - Copy of Deed
- ___ Verification of Homeowners Insurance
 - Copy of current Homeowners insurance policy
- ___ Copy of most recent Property Tax Assessment
- ___ Copy of most recent Federal and State Tax Returns (all pages)

If you do not file taxes, the following needs to be completed and notarized:

- ___ Certification of Non-Filing of Federal Income Tax Return
- ___ Certification of Non-Filing of State Income Tax Return

Processing Fee: **(ONLY AFTER DETERMINING PROGRAM ELIGIBILITY)**

- ___ Personal check, cashier's check or money order for \$50.00 payable to "Director of Finance".

Should you fail to provide all the necessary documents this could cause a delay in processing your eligibility.

RETURN APPLICATION AND DOCUMENTS TO:

**County of Hawai'i
Office of Housing and Community Development
Residential Repair Program (RRP)
1990 Kino'ole Street, Suite 102
Hilo, Hawai'i 96720**